

# Operating Review Checkers and Checkers Hyper



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**Checkers**

**Checkers Hyper**

Sales growth in RSA	23.1%
Growth in number of customer transactions in RSA	10.3%
Growth in value per transaction in RSA	11.8%
Number of stores in RSA	24 Hypers (2008: 24) 130 supermarkets (2008: 121)
Number of staff in RSA	19 646 (2008: 16 787)

**Checkers, now established in** its niche as a high-end value brand, was the fastest-growing retail food chain in South Africa in the 12 months to end June 2009. It grew turnover by 23,1% across its 154 outlets inside the borders of the country – nine more than in the preceding financial year. This also translated into a substantial gain in market share. Its operations are concentrated in South Africa with neighbouring Namibia the only other country in which the brand has a presence with four supermarkets. Checkers encom-

passes both hyper- and supermarket formats with the latter also including a number of smaller convenience stores.

Over the last four years the chain grew at a strong rate, backed by a carefully targeted marketing campaign focused on lifestyle and convenience for more affluent consumers. Since its repositioning in a higher market segment it accelerated its focus on freshness and convenience, thus building its image on a number of specialist product categories such as cheese, meat and wine which were turned into talking points that raised consumer interest. Cheeses were imported from some of the world's great cheese-producing countries, specialist meat products such as Steakhouse Classic and Certified Natural Lamb were introduced and a wine route created selling the wines of numerous estates at the same prices as at the cellar door.

The economic downturn, which also sent high-income consumers in search of better value, benefited the chain substantially as it was able to attract and then retain new consumers who found, on visiting its stores, that their expectations were satisfied.

A major focus of management is to improve the quality of the shopping experience. To this end an ongoing programme of store refurbish-

ments has been instituted while particular attention is being paid to staff training and customer service. Ranges of value-added products are continuously being upgraded and expanded along with the stores' perishables offering. In addition to broadening the selection of fruit and vegetables, the ranges of organic and ready to eat products have also been expanded.

Our drive to offer better convenience in Checkers has seen certain major stores in the Gauteng area now become operational 24 hours a day. At night staff receives deliveries from the Group's distribution centres and restocks the shelves while specialist departments such as the meat markets, bakeries and delicatessens do their preparations for the next day to enable staff to devote more of their time to customers during trading hours. Of the 154 Checkers stores 24 are Hypers, which have extended general merchandise and specialist ranges.

Buying patterns have seen a change from monthly shopping trips to more frequent supermarket visits as consumers are shifting to value-added products and freshness. This trend is providing opportunities for the brand in its market positioning for sustainable future growth.